

WORKFORCE OBSERVATIONS FOR WEST CENTRAL WISCONSIN COUNTIES

MARCH 2002



State of Wisconsin
Department of Workforce Development

Unemployment rates increase in February statewide

Unemployment increased in the Eau Claire-Chippewa metropolitan area in February as it did in the state of Wisconsin, all eleven metro areas and all 72 counties in the state. Unemployment rates in Wisconsin rose as the national unemployment rate in February declined from 5.6 percent in January to 5.5 percent, seasonally adjusted.

According to estimates produced by the Department of Workforce Development, the seasonally adjusted unemployment rate in the Eau Claire area rose from 4.9 percent in January to 5.7 percent in February and is nearly a full percentage point higher than one year ago when the rate was 4.8 percent. The increase in unemployment in Eau Claire, and elsewhere in Wisconsin, is occurring because of worker reductions due to a stalled economy and because of seasonal factors.

Typically, seasonal layoffs peak in either February or March in Wisconsin and the region. Those typically laid off include workers in construction, retail trade, government, transportation, and production (many manufacturers perform routine maintenance during the winter). Those reductions were magnified this year because of the economy, and in spite of encouraging news nationally that the recession is over, it takes months before employers recover and feel comfortable to recall or add workers.

Even at 5.7 percent, the Eau Claire metro unemployment rate is only two-tenths of a percentage point higher than the national rate and is lower than the state seasonally adjusted rate of 5.8 percent. The local unemployment rate is also lower than three other metro areas in the state. The highest rate of 7.5 percent was in Racine, in Janesville the rate was 7.0 percent, and Milwaukee's unemployment rate in February was 6.1 percent.

The metro February unemployment rate of 5.7 percent is the highest rate for the month since 1993. Compared to 1993 however, the region is doing much better. Even with high unemployment, over 81,000 residents were working in 2002 compared with only 68,000 in 1993. This February there were also more unemployed, 4,900 compared with 4,000 in 1993. In 1993 and 2002, layoffs

from manufacturing firms catapulted the escalating unemployment rates. Then it was Uniroyal; today it is firms in industrial equipment production. One big difference is that this time the firms are not closing and they do plan to recover.

Comparisons to 1993 do not hold for three of the rural counties surrounding Eau Claire and are part of the West Central region. The 11.2 percent unemployment rate in Pepin County is the highest February rate since 1987 and is the sixth highest rate in the state. The last time the February unemployment rate in St. Croix County was higher than the current rate of 8.9 percent was 1983; and, Clark County, with 11.1 percent unemployed, is one of only six counties statewide where the current rate is lower than one year ago.

In Barron County, the February rate of 8.4 percent is

the highest for the month since 1994. And, February unemployment rates in Dunn, 7.2 percent, Pierce, 6.4 percent, and Polk, 9.8 percent, are the highest February rates since 1992

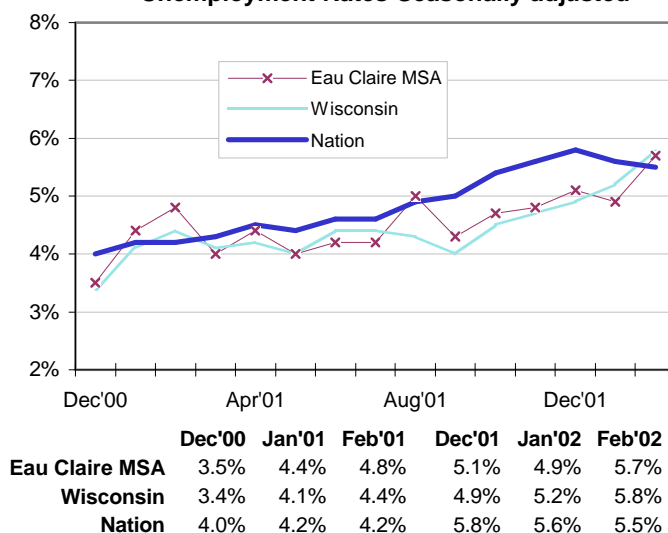
The unemployment rate for the West Central region in February was 8.2 percent, matching the rate from February 1982, and was higher than the 6.9 percent unemployed from one year ago and last month. Half the counties in the state had unemployment rates above 8.2 percent in February. The highest, 13.8 percent, was in

Juneau County and the lowest, 3.1 percent, was in Dane County.

Based on continued claims filed for unemployment compensation benefits, unemployment rates will increase again in March. In the non-metro counties of West Central Wisconsin the number of residents filing for unemployment benefits during the survey week in March (the week that includes the 12th) reached 5,534 compared with 5,387 in mid-February. In 2001 the number of residents filing claims declined from mid-February (4,807) to mid-March (4,531).

In the Eau Claire-Chippewa metro area the number of residents filing claims for unemployment benefits rose in

Unemployment Rates-Seasonally adjusted



during March to 3,919 from 3,642 in mid-February. This is over 1,100 higher than last March when the number of claimants declined from mid-February to 2,792.

The increase in claims is mirrored by the decline in non-farm wage and salary employment. In the metro area the total number of jobs is down 100 from a year ago. The loss doesn't match the increase in claims because some industries have hired new workers, just not the ones laid off from other employers. There are 750 fewer manufacturing jobs over the year, nearly 600 fewer retail trade jobs and 200 fewer jobs in transportation and utilities. Most workers laid off from transportation and manufacturing look for similar

work or wait for recall. Even though construction employers laid off workers in February the number of jobs is still 200 higher than last year.

One of the reasons that jobs increased in February was the addition of over 2,000 jobs in government in Eau Claire. This reflects late reporting and delayed payroll in school systems. Most of this increase occurred in January when students returned from the holiday break. The problem with delayed reporting is even more exaggerated in Dunn County where the estimates reflect the loss of 1,000 government jobs during the holidays.

February 2002 Estimate:	Wisconsin	EC MSA	Barron	Clark	Dunn	Pepin	Pierce	Polk	St.Croix
Civilian Labor Force*	3,050,100	86,300	24,500	16,300	21,900	3,200	21,800	24,500	36,500
Employed	2,846,100	80,000	22,400	14,400	20,300	2,800	20,400	22,100	33,200
Unemployed	204,000	6,300	2,100	1,800	1,600	400	1,400	2,400	3,200
Unemployment rate(%)	6.7%	7.3%	8.4%	11.1%	7.2%	11.2%	6.4%	9.8%	8.9%
Total jobs, all industries**	2,758,700	75,600	21,100	9,600	14,700	2,000	10,100	15,000	26,300
Construction & Mining	105,710	2,810	570	390	460	150	330	600	1,240
Manufacturing	565,750	11,470	6,470	3,050	2,290	160	1,340	4,660	6,620
Transportation & Public Util.	129,420	3,310	680	390	520	100	460	470	1,030
Wholesale Trade	135,270	3,190	560	520	590	230	180	370	650
Retail Trade	485,050	17,100	4,120	1,210	4,070	380	2,330	2,530	6,030
Finance,Ins,Real Estate	150,770	2,840	400	220	440	70	320	470	960
Services	765,210	22,100	3,700	1,690	2,680	390	2,020	3,270	6,060
Government	421,490	12,740	4,580	2,170	3,620	540	3,140	2,630	3,700

Change from previous month

Civilian Labor Force*	21,900	2,800	400	300	-1,000	100	100	500	700
Employed	-5,000	1,800	100	0	-1,200	0	0	0	-100
Unemployed	26,900	1,000	300	300	200	100	200	400	700
Unemployment rate(%)	0.8%	1.0%	1.2%	1.6%	1.3%	2.1%	0.7%	1.6%	1.8%
Total jobs, all industries**	6,300	2,000	100	0	-900	0	200	0	100
Construction & Mining	-2,200	-200	0	0	0	0	0	0	0
Manufacturing	-2,140	-170	0	-50	0	0	10	-10	-70
Transportation & Public Util.	-380	70	10	10	10	0	-10	0	20
Wholesale Trade	-250	0	-10	0	0	0	0	0	0
Retail Trade	-5,920	-10	0	0	70	0	60	10	0
Finance,Ins,Real Estate	-140	-10	0	0	0	0	0	0	10
Services	5,170	200	-10	-20	50	0	40	-10	80
Government	12,200	2,120	150	40	-1,030	20	80	40	80

Change from one year ago

Civilian Labor Force*	93,400	2,900	1,100	800	0	200	400	1,600	1,300
Employed	47,600	1,700	1,000	900	-400	100	100	1,200	100
Unemployed	45,800	1,200	100	-100	300	100	400	500	1,100
Unemployment rate(%)	1.3%	1.2%	0.2%	-1.1%	1.5%	1.3%	1.5%	1.4%	2.9%
Total jobs, all industries**	-19,200	-100	300	200	-700	0	-400	400	800
Construction & Mining	-3,400	300	0	0	0	0	0	0	100
Manufacturing	-29,650	-750	-10	60	-60	0	80	90	-190
Transportation & Public Util.	-2,660	-180	30	20	10	0	-10	0	-20
Wholesale Trade	-370	30	20	-10	-10	-10	-20	0	40
Retail Trade	1,890	-590	30	-30	-70	0	80	30	440
Finance,Insurance,Real Estate	2,840	70	-30	-10	30	0	0	20	70
Services	8,210	540	100	20	50	-10	40	90	230
Government	3,840	510	210	100	-700	0	-540	160	150

* Includes participants residing in area. ** Includes employment with employers located in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

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